Supreme Court, U. S.
FILED
FEB 20 1974
MICHAEL RODAK, JR., CLERK

Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-1279

THE WILLIAMS & WILKINS COMPANY,

Petitioner,

—against—

THE UNITED STATES,

Respondent.

PETITION FOR WRIT OF CERTIORARI

ALAN LATMAN
Attorney for Petitioner
200 East 42nd Street
New York, New York 10017
(212) 986-6272

ARTHUR J. GREENBAUM
COWAN, LIEBOWITZ & LATMAN, P. C.,
Of Counsel.

INDEX

Page

TABLE OF AUTHORITIES ii

OPINIONS BELOW 2

JURISDICTION 2

QUESTION PRESENTED 2

STATUTES INVOLVED 2

STATEMENT OF THE CASE 3

THE DECISION BELOW 5

REASONS FOR GRANTING THE WRIT 8

1. The Current Applicability of the "Fair Use" Doctrine and the Duty of the Court of Claims Under its Jurisdictional Statute are Important Questions for This Court 9

   (a) The Copyright "Fair Use" Question 9

   (b) The Jurisdictional "Reasonable Compensation" Question 11

2. The Important Questions Involved in This Case Press for Immediate Judicial Resolution 12

3. The Court Below Misconstrued Two Important Federal Statutes 15

   (a) The Copyright Statute 15

      (i) Misapplication of The Fair Use Doctrine 15

      (ii) Conflict With Three Circuits and Need for Resolution by This Court 16

   (b) The Jurisdictional Statute 17

CONCLUSION 18

TABLE OF AUTHORITIES

Page

CASES:

Benny v. *Loew's, Inc.*, 239 F.2d 532 (9th Cir. 1956), *aff'd by an equally divided Court*, 356 U.S. 43 (1958)....16, 17
Fortnightly Corp. v. *United Artists Television, Inc.*, 392 U.S. 390 (1968)..... 14
Hedeman Products Corp. v. *Tap-Rite Products Corp.*, 228 F. Supp. 630 (D.N.J. 1964)..... 17
King Features Syndicate v. *Fleischer*, 299 Fed. 533 (2d Cir. 1924)..... 17
Markham v. *A. E. Borden Co.*, 206 F.2d 199 (1st Cir. 1953)..... 17
Perma Life Mufflers, Inc. v. *International Parts Corp.*, 392 U.S. 134 (1968)..... 18
Public Affairs Associates, Inc. v. *Rickover*, 284 F.2d 262 (D.C. Cir. 1960), *judgment vacated*, 369 U.S. 111 (1962).....16, 17
Teleprompter, Inc. v. *CBS, Inc.*, Nos. 72–1628, 72–1633..12, 14
U.S.A. v. *ASCAP*, CCH 1940–43 Trade Cases ¶56,104; 1950–51 id. ¶¶62,594, 62,595..... 14
Walt Disney Productions v. *Air Pirates*, 345 F. Supp. 108 (N.D. Cal. 1972)..... 16
Wihtol v. *Crow*, 309 F.2d 777 (8th Cir. 1962)..... 16

STATUTES:

17 U.S.C.
§1(a).....2, 5
§3.....2, 17

28 U.S.C.
§1255(1)..... 2
§1498..... 14
§1498(b).....2, 3, 8, 11, 12

Page

CONGRESSIONAL REPORTS AND PRINTS:

H.R. REP. NO. 624, 86TH CONG., 2D SESS., 5 (1959)..... 12
H.R. REP. NO. 83, 90TH CONG., 1ST SESS., 29 (1967)..... 13
REGISTER OF COPYRIGHTS, 87TH CONG., 1ST SESS., REPORT ON THE GENERAL REVISION OF THE COPYRIGHT LAWS (Comm. Print 1961)..... 9
VARMER, "PHOTODUPLICATION OF COPYRIGHTED MATERIAL BY LIBRARIES," STUDY NO. 15, COPYRIGHT LAW REVISION STUDIES PREPARED FOR SENATE COMMITTEE ON THE JUDICIARY, 86TH CONG., 2D SESS. (Comm. Print 1960)..... 9

LAW REVIEWS:

41 U. CIN. L. REV. 511 (1972)..... 10
48 INDIANA L. J. 503 (1973)..... 10
14 NOTRE DAME LAWYER 443 (1939)..... 15
3 RUTGERS J. COMPUTERS & THE LAW 328 (1974)..... 10
51 TEXAS L. REV. 137 (1973)..... 10
25 VAND. L. REV. 1093 (1973)..... 10
12 WASHBURN L. J. 235 (1973)..... 10
13 WM. & MARY L. REV. 940 (1972)..... 10

PERIODICALS:

ADVERTISING AGE, Aug. 7, 1972, at 53..... 10
AMERICAN LIBRARIES, May, 1972, at 528..... 10
EDUCATION U.S.A., Dec. 3, 1973, at 80..... 10
LOS ANGELES TIMES, Jan. 27, 1974, Part VIII at 1..... 10
MIAMI HERALD, Nov. 29, 1973, at 20-A..... 10

	Page
PUBLISHERS WEEKLY, Feb. 28, 1972, at 48, 55	10
PUBLISHERS WEEKLY, Nov. 28, 1973, at 18	10
TIME, May 1, 1973, at 62	10
WASHINGTON POST, Nov. 28, 1973 at A24	10
MISCELLANEOUS:	
THE BUREAU OF NAT'L AFFAIRS, 157 PATENT, TRADEMARK & COPYRIGHT JOURNAL, at D4 (Dec. 13, 1973)	17
UNITED NATIONS EDUCATIONAL SCIENTIFIC & CULTURAL ORGANIZATION & WORLD INTELLECTUAL PROPERTY ORGANIZATION, "REPORT OF WORKING GROUP ON REPROGRAPHIC REPRODUCTIOI OF WORKS PROTECTED BY COPYRIGHT" at 5 (1973)	10

IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

No.

THE WILLIAMS & WILKINS COMPANY,

Petitioner,

—against—

THE UNITED STATES,

Respondent.

PETITION FOR WRIT OF CERTIORARI

Petitioner prays that a writ of certiorari issue to review the judgment of the Court of Claims entered in this case on November 27, 1973.

OPINIONS BELOW

The opinion of the Court of Claims Trial Judge was unofficially reported in the United States Patent Quarterly at 172 USPQ 670. The majority and dissenting opinions of the

Court of Claims (App.[1] 1 through 104) were reported at 487 F.2d 1345 and 180 USPQ 49.

JURISDICTION

The judgment of the Court of Claims was entered on November 27, 1973. The jurisdiction of this Court to review that judgment is invoked under 28 U.S.C. §1255(1).

QUESTION PRESENTED

Does systematic library reproduction of copyrighted journal articles in their entirety constitute "fair use" or copyright infringement?

STATUTES INVOLVED

28 U.S.C. §1498(b) provides in pertinent part as follows:

> "Hereafter, whenever the copyright in any work protected under the copyright laws of the United States shall be infringed by the United States***the exclusive remedy of the owner of such copyright shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation***."

* * *

Section 1(a) of the Copyright Law, 17 U.S.C. §1(a), provides as follows:

> "§1. EXCLUSIVE RIGHTS AS TO COPYRIGHTED WORKS. Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:
>
> a) To print, reprint, publish, copy, and vend the copyrighted work;"

[1] Appendix hereto, which is being submitted to the Court separately pursuant to Rule 23(1)(i). References to numbers preceded by "Tr." are to the transcript of the trial.

Section 3 of the Copyright Law, 17 U.S.C. §3, provides in pertinent part as follows:

> "§3. PROTECTION OF COMPONENT PARTS OF WORK COPYRIGHTED; COMPOSITE WORKS OR PERIODICALS. The copyright provided by this title shall protect all the copyrightable component parts of the work copyrighted,***. The copyright upon composite works or periodicals shall give to the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this title."

STATEMENT OF THE CASE

This is an action seeking reasonable compensation from the Government for copyright infringement under 28 U.S.C. §1498(b). The principal defense in what the court below called this "ground-breaking" suit (App. 2) is that the Government's system of reproduction and distribution of journal articles constitutes "fair use." The Trial Judge found for petitioner on the issue of liability, with damages reserved for later determination. The Court of Claims, in a 4–3 decision, rejected its Trial Judge's decision and dismissed the petition.

The action is based on the reproduction of entire articles from petitioner's copyrighted journals by respondent through its National Institutes of Health ("NIH") and National Library of Medicine ("NLM"). The reproduction is performed through a comprehensive system whereby libraries, relying generally on one or two subscriptions to a journal, regularly fill all the requests of library users for journals of petitioner and other publishers by photocopying the requested journal articles. Under this system several million pages per year are copied.[2] Thus, respondent's photocopying is not

[2] Respondent noted in 1966 its installation of 55,000 machines throughout the Government at a yearly cost of 80 million dollars (Finding 42(b)) and the serious effect of widespread copying on the sale of technical articles (Finding 42(c)) (App. 99).

casual or sporadic; its system is an integral part of NIH and NLM library operations.

Petitioner is a relatively small medical and scientific publisher whose journals are highly respected but have a limited number of subscriptions. Most of its journals are published in conjunction with nonprofit medical and scientific societies which receive from 50% to 90% of net profits, if any. Petitioner has established a licensing program to cover various uses of its journals, including licenses to libraries for photocopying.

Eight articles from four of petitioner's journals were among the many systematically copied by respondent. These articles were set forth in the petition in an effort to establish the rights of plaintiff and other copyright proprietors in this test case.

The NIH library photoduplication service employs Xerox copying machines and microfilm cameras from which copies are printed to provide journal articles, on a no-return basis, to any of the 12,000 employees at NIH. NLM is a library furnishing material generally to a network of other libraries and to other institutions, including commercial enterprises such as drug companies. In the case of journals, NLM (rather than the user) has decided to furnish reproductions of desired articles, also on a permanent basis, instead of lending the original. NLM's photocopying service is enhanced by its publication and sale of a current index of medical literature, which catalogs citations to journals of petitioner and other publishers and "thus advertises to the medical and scientific community which constitutes plaintiff's market, that certain articles are available free of charge in the form of a photocopy." (App. 41).

Respondent's system makes and distributes several hundred thousand reproductions of articles a year. Despite its purported self-limitations (established by reason, *inter alia*, of the danger of infringing copyrights) the system permits, and inevitably results in, repeated reproduction of the same articles.

In performing its photocopying, respondent leases its copying machines from Xerox Corporation, which it pays according to the number of pages reproduced.

This suit for reasonable compensation was not brought to halt or limit photocopying. It was undertaken to broaden the financial support available to privately published,[3] limited circulation, scientific journals whose survival is vital to the growth of scientific knowledge.

THE DECISION BELOW

All three opinions below recognized this case as requiring a landmark decision on the copyright doctrine of "fair use." The majority concluded that "on this record, the challenged use should be designated 'fair' and not 'unfair.' "[4] (App. 14). The "core" of the court's rationale was that: (1) petitioner (together with "medical publishers generally" (App. 23)) is not substantially harmed from the specific practices in question; (2) medicine and medical research would be injured by holding these particular practices to be an infringement; and (3) the problem of accommodating the competing interests calls for legislative action and until such action, the court should not place a risk of harm on science (App. 14). It is this last theme on which the court closes its opinion with the hope that "the result in the present case will be but a 'holding operation' in the interim period before Congress enacts its preferred solution."[5] (App. 29)

---

[3] The Trial Judge noted that alternatives to private publication would be either no publication or publication by the Government, with its attendant problems, including the danger of censorship. 172 USPQ at 676, n. 7.

[4] In reaching this conclusion, the majority expressed "grave uncertainty" that the photocopying of journal articles (or any reproduction of periodicals or books) was covered by the word "copy" as one of the exclusive rights granted in Section 1(a) of the 1909 Copyright Act, 17 U.S.C. §1(a) (App. 9, 23). The Court took this "solid doubt . . . into account" (App. 9) in dismissing the petition.

[5] The most recent effort to revise the governing 1909 statute commenced with a study program in 1955. This led to the introduction of a bill in 1964 and its passage by the House of Representatives, but not the Senate, in 1967. (cont.)

Three of the seven judges dissented. Chief Judge Cowen's dissenting opinion pointed out the following:

(1) Upon analysis of the 1909 Act, its legislative history and subsequent judicial interpretation, photocopying of journal articles is indeed "copying," *i.e.*, "Congress obliterated the distinction, if there ever had been one, between the copying of books and the copying of other materials." (App. 32).

(2) Fair use is inapplicable because of the rule that wholesale copying of the kind here involved "without more defeats the defense of fair use."[6] (App. 35).

(3) The latitude fair use affords science and scholarly works applies to a new author's need to comment on and discuss earlier works in the same field, and has no application to the bare verbatim reproduction here involved. (App. 35, 36).

(4) The so-called "single-copy-per-request" limitation of respondent is illusory and unrealistic because furnishing each of ten patrons with one copy of the same article is no different from giving ten copies to one patron. (App. 34).

(5) There is legally cognizable harm to petitioner resulting from respondent's operation of "a reprint service which supplants the need for journal subscriptions"

No further progress on general revision has been made in the House. The Senate Judiciary Subcommittee on Patents, Trademarks and Copyrights held hearings in July, 1973 but as of this writing no report has yet been issued. A dispassionate view of this 19-year effort precludes any assumptions as to whether, or when, a new law will be passed. Accordingly, the majority's attempt to decide the present case as a "holding operation" is, as pointed out at pages 13–15, *infra*, most inappropriate.

[6] The opinion notes that the majority cites no decision in support of its rejection of the above rule (App. 35). The conflict created by the Court of Claims' decision on this point with those of the Ninth, District of Columbia and Eighth Circuits is discussed below at pages 16–17.

(App. 34) and operates "on a scale so vast that it dwarfs the output of many small companies." (App. 31, 37–42).[7]

(6) The award of reasonable compensation to petitioner in this case will not injure medical research. (App. 43–44).[8]

Judge Nichols, joining in Chief Judge Cowen's dissent, also wrote a separate opinion emphasizing that the question before the court is not whether photocopying should be stopped since curtailment of photocopying could in no event be the result of any decision by the Court of Claims. (App. 67). The opinion points out that "however hedged, the [majority] decision will

[7] The narrow subscription base and high preparation costs of scholarly journals make the loss of even a single subscription important (App. 55). Petitioner's income from permissions and licensing of microfilms, reprints and photocopying is also important. Though the sums may seem small, they are significant in financing journals, and will become more so in the future.

Petitioner's blanket licensing system referred to by the majority (App. 24) would cost libraries supplying only their own patrons with photocopies, such as NIH, an average of $3.65 per year for each of petitioner's journals, payable along with the subscriptions. Regional libraries making reproductions for other libraries and NLM, at the apex of a massive national network, would pay proportionally more. These sums may properly be described as "a surprisingly small sum" (App. 43) from the point of view of a particular library, but they are crucial in the aggregate to a publisher trying to keep scientific journals viable.

[8] The record contains the admission on behalf of respondent that the payment of royalties to publishers for obtaining photocopies would not hinder the performance of the NIH library since this is merely "a side issue" involving economic and budgetary considerations. (Tr. 174-75).

Medical research, rather than being harmed, would be benefited by reasonable compensation. This is because: (a) publication of research results is a "vital part of research" (Finding 13, App. 79); and (b) uncompensated photocopying leads to "a vicious cycle which can only bode ill for medical publishing." (Trial Judge's opinion incorporated in Chief Judge Cowen's dissent at App. 55. See Tr. 436; 986-87; 1301-02).

The fallacy of the majority is demonstrated by simply considering the self-restraint of respondent and other libraries with respect to copying as much as a chapter from a book or "monograph" [a librarian's sometimes hazy distinction from a journal]. (Finding 18). Respondent's libraries have functioned and medical research has apparently proceeded apace despite the fact that libraries do not photocopy in this area without permission.

be read that a copyright holder has no rights a library is bound to respect. We are making the Dred Scott decision of copyright law." (App. 69).

REASONS FOR GRANTING THE WRIT

Despite the close division on the merits in the court below, all three opinions confirm that this case poses an important but undecided legal question concerning "fair use" of copyrighted works. In reaching and determining this issue, the Court of Claims departed from a fundamental rule of law in such manner as to create a sharp conflict with three Courts of Appeals. In so doing, the court has not only committed basic errors in copyright law but has also ignored its function under the jurisdictional statute, 28 U.S.C. 1498(b). Thus, the court below has misconstrued two important federal statutes.

The parties and their *amici curiae* below all agreed that these legal issues have immediate and substantial ramifications in the field of scientific research and communications far beyond the present litigants. The case thus involves application of established doctrines of copyright law to contemporary versions of information dissemination. Finally, this case presents these questions in a particularly appropriate context, with focus upon the relationship between Government and the individual, *i.e.*, the reasonable compensation, if any, to be awarded for Government use through modern technology of privately copyrighted material.

We urge that any one of these factors would justify the granting of certiorari; in combination, we respectfully submit that the granting of the writ is essential.

The sweep of the decision below has been carefully understated by the majority. The records of photoduplication necessarily maintained and disclosed by the Government have provided particularly complete documentation in this record as to how library photocopying actually operates. This record reveals a comprehensive systematic operation, which includes a network of libraries throughout the country being

serviced by NLM. Under these facts, the reference in the majority opinion to its "being stingy rather than expansive in the reach of our holding" (App. 29) is, we submit, misdescriptive. The holding is necessarily expansive because it excuses a massive system of photoduplication—and of necessity all lesser photocopying activities—as "fair use." There are no limiting factors in this situation which would not be applicable in other situations. Accordingly, this case will simply be read, as noted by Judge Nichols, to "encourage unrestricted piracy." (App. 69).

1. The Current Applicability of The "Fair Use" Doctrine And The Duty of The Court of Claims Under Its Jurisdictional Statute Are Important Questions For This Court.

(a) *The Copyright "Fair Use" Question.* Resolution of the copyright issue here being tested has been long anticipated by scholars, administrative officials, legislators and the publishing and library communities. A definitive study of the subject observed that "unfortunately, there are no decisions dealing specifically with photocopying by libraries, or even with the narrower question of a person making photocopies for his own use." VARMER, "PHOTODUPLICATION OF COPYRIGHTED MATERIAL BY LIBRARIES" STUDY NO. 15, COPYRIGHT LAW REVISION STUDIES PREPARED FOR SENATE COMMITTEE ON THE JUDICIARY, 86TH CONG., 2D SESS. 50 (Comm. Print 1960). A director of NLM recognized that with respect to his library's photocopying activities "it is possible, if not probable, that the years would bring, sooner or later, a test of the issue in the courts." (Pltf. Ex. 38, p. 1375; Tr. 416). The Register of Copyrights similarly noted that this important question, which had not been decided by the courts, merits special consideration. See REGISTER OF COPYRIGHTS, 87TH CONG., 1ST SESS., REPORT ON THE GENERAL REVISION OF THE COPYRIGHT LAWS 25 (Comm. Print 1961).

It is thus not surprising that the majority opinion below called this case "a ground-breaking copyright infringement action" raising "troublesome problems" which "have never before been mooted or determined by a court." (App. 2). The

Trial Judge had stated that "this suit is one of first impression [and] raises long troublesome and much discussed issues. . . ." 172 USPQ at 672. The Trial Judge's opinion itself was the subject of at least seven law review comments[9] as well as innumerable reports in publishing, library and other industry media.[10] It received widespread international attention, including mention in a recent UNESCO document,[11] and was commented upon in some detail in TIME (May 1, 1973 at 62). In the short time since the Court of Claims' decision, its impact has been widely noted in the trade and popular press.[12]

The filing at the trial level of *amicus curiae* briefs was unusual and reflected the extraordinary consequences perceived by many affected groups.[13] The *amici* who have already appeared in this

---

[9] 41 U. CIN. L. REV. 511 (1972); 48 INDIANA L.J. 503 (1973); 3 RUTGERS JOURNAL OF COMPUTERS & THE LAW 328 (1974); 51 TEXAS L. REV. 137 (1972); 25 VAND. L. REV. 1093 (1972); 12 WASHBURN L.J. 235 (1973); 13 WM. & MARY L. REV. 940 (1972).

[10] E.g., PUBLISHER'S WEEKLY, Feb. 28, 1972 at 48 and 55; AMERICAN LIBRARIES, May, 1972 at 528; ADVERTISING AGE, August, 1972 at 53.

[11] UNITED NATIONS EDUCATIONAL SCIENTIFIC AND CULTURAL ORGANIZATION AND WORLD INTELLECTUAL PROPERTY ORGANIZATION, "REPORT OF WORKING GROUP ON REPROGRAPHIC REPRODUCTION OF WORKS PROTECTED BY COPYRIGHT" 5 (1973).

[12] PUBLISHERS WEEKLY, November 28, 1973, at 18; EDUCATION U.S.A. at 80 (December 3, 1973); WASHINGTON POST, November 28, 1973, at A24; MIAMI HERALD, November 29, 1973, at 20-A; LOS ANGELES TIMES, Jan. 27, 1974, Part VIII, at 1.

[13] At the Court of Claims level, five briefs *amicus curiae* were received in support of petitioner on behalf of: The Authors League of America, Inc., The American Chemical Society, The American Institute of Physics Incorporated, Association of American Publishers, Inc., The Association of American University Presses, Incorporated, American Society for Testing and Materials and National Council of Teachers of Mathematics.

Three briefs *amicus curiae* were received in support of respondent on behalf of: Association of Research Libraries, Medical Library Association, American Association of Law Libraries, American Medical Association, American Dental Association, Mayo Foundation, Robert H. Ebert, M.D. (in his capacity as Dean of the Faculty of Medicine, Harvard University), The University of Michigan Medical School, The University of Rochester, School

case themselves represent thousands and in one case millions of members. Each has in its brief below set forth in detail the respects in which the decision in this case will affect their members and the public at large. For example, the Authors League of America has indicated that it supports this action by a publisher because the principle involved not only affects authors through direct loss of income, but also "an even more drastic injury—the ultimate discontinuance of a periodical, journal or publishing house." (Brief *Amicus Curiae* of the Authors League of America, Inc., p. 3). Similarly, the Association of American Publishers and The Association of American University Presses have stated that their memberships, "non-profit and for profit alike, have a vital interest in the library photocopying issues presented in this case." (Brief *Amicus Curiae* of the Association of American Publishers, Inc. and The Association of American University Presses, Incorporated, p. 2).

This recognition of far-reaching implications is by no means restricted to the *amici* who have supported petitioner in the court below. For example, The American Library Association, in discussing the question presented by this case emphasized that "a decision would constitute precedent whose potential effect transcends the interests of the instant litigants." (Brief *Amicus Curiae* of the American Library Association, p. 2).

In view of these facts and the uncertainty engendered by the division in the court below, it is submitted that a prompt authoritative resolution by this Court of the copyright issue here involved is amply warranted.

(b) *The Jurisdictional "Reasonable Compensation" Question.* This action was commenced eight years after the enactment in 1960 of 28 U.S.C. §1498(b), the jurisdictional statute permitting suits against the Government for copyright infringement exclusively by action for damages in the Court of Claims. This is

---

of Medicine and Dentistry, American Sociological Association, Modern Language Association of America, History of Science Society, The National Education Association of the United States, and American Library Association.

the first such suit reaching decision and thus presents the first opportunity to define the duty of the Court of Claims under such statute. This is entirely appropriate because Congress, in passing this statute, was specifically asked by the Government to cover, among other things, the "ever-increasing danger" of infringement through photocopying machines. H.R. REP. No. 624, 86TH CONG., 2D SESS. 5 (1959).

In a striking departure from its established approach in patent and indeed other "taking" cases, the court ignored the task before it and denied reasonable compensation on the basis of its thoughts on what other courts might do in other cases. That the fears of the majority in this regard are groundless is demonstrated by Judge Nichols in his dissenting opinion and at page 18, *infra*. But aside from this, plaintiff sued in the Court of Claims because of activities by the Government, not by private persons. It does not seek an injunction which, of course, is specifically unavailable under 28 U.S.C. §1498(b). It does seek reasonable compensation from those who use its journals through large scale photocopying. This would supplement the income derived from those who use the journals by becoming subscribers, the objective being to gain broader based support for the ever increasing costs of publishing scholarly journals. The court's refusal to grant reasonable compensation here is unjustified and deprives plaintiff and parties similarly situated of their only possible forum the first time this remedy is sought. The only appellate procedure available in this situation is by way of certiorari, which is sought by this petition.

2. The Important Questions Involved In This Case Press For Immediate Judicial Resolution.

This lawsuit was commenced in February, 1968. During these six years it has become evident that the technology of photoduplication—a form of printing from which one or a thousand copies can be made with the turn of a dial—poses problems ripe for solution. The presence of problems of this type is confirmed by the cable antenna television issues raised in *Teleprompter, Inc. v. CBS, Inc.*, Nos. 72–1628, 72–1633, which was argued before this Court in January, 1974. We are now at the point where, as conceded by the majority below, "the proliferation of inexpensive and improved copying machines, less than two decades ago, led to the surge in such duplication." (App. 18).

It is also submitted that courts, such as the Court of Claims, can and must face the task of applying the judge-made rules governing fair use cases such as this, without waiting for Congressional action.

We have noted the hope expressed by the majority below that "the result in the present case will be but a 'holding action' in the interim period before Congress enacts its preferred solution." (App. 29). But Congress has shown a distinct disinclination to act in this area in the absence of substantial agreement among the parties concerned. And the decision reached by the majority below, if adhered to, will merely reinforce adamance on the part of librarians[14] which will block any voluntary arrangement or satisfactory congressional compromise.

The "holding operation" philosophy also places this pressing problem in an "Alfonse & Gaston" posture. To emphasize the need for congressional treatment is one thing; to postulate a decision on this basis, even in part, is, it is submitted, virtually an abdication of the judicial function. Moreover, this approach conflicts directly with the legislative exhortation by the House Judiciary Committee that the "courts must be free to adapt the [fair use] doctrine to particular situations on a case-by-case basis;" for this reason the Committee (and presumably the House of Representatives in passing a bill in 1967) had "no

[14] An objective of the present lawsuit was to achieve legal recognition by librarians of the rights of copyright proprietors so that dialogue would be possible with the objective of reasonable accommodation. The clock has now been turned back in this respect to 1967 when the Director of NLM refused to consider any plan of payment to publishers until ordered to do so by a court (Tr. 75).

disposition to freeze the doctrine in the statute, especially during a period of technological change." H.R. REP. No. 83, 90TH CONG., 1ST SESS., 29 (1967). The majority quotes and then ignores this precise language in its opinion. (App. 26, n. 28). Plaintiff, and authors and publishers generally, are thus caught in a never-ending "holding operation" devised by the majority of the Court of Claims, unless and until this Court speaks.

The Solicitor General, as *amicus*, supported the grant of certiorari in the *Teleprompter* case, *supra*, because "it is uncertain when or whether copyright revision legislation will be forthcoming." (Memorandum, p. 2). The corollary is that courts must act, not as managers of an illusory "holding operation," but as adjudicators of existing rights. This is entirely appropriate in the context of the present case in which the compulsory license approach of 28 U.S.C. §1498 offers a unique opportunity to insure continuation of photocopying with a court setting compensation that is reasonable under the circumstances.[15] The result could serve as a model for other publishers and other libraries.

The fact that existing judicial procedures for copyright ratemaking may be under the antitrust laws is of no moment; the systems have worked reasonably well.[16] Both the Court of Claims and other courts have the necessary powers under the copyright law to deny injunctions and award reasonable com-

[15] The case thus presents the very vehicle which was unavailable to this Court in *Fortnightly Corp.* v. *United Artists Television, Inc.*, 392 U.S. 390 (1968), the forerunner of *Teleprompter* on the question whether cable television "performs" copyrighted works. The Solicitor General had there suggested that the Court render a compromise decision accommodating various competing considerations; the Court declined the suggestion, noting that such job was for Congress. 392 U.S. at 401. But in 1960 Congress, with full awareness of the risks of liability through photocopying, granted the Court of Claims the power to consider all factors in each case to arrive at reasonable compensation in concrete situations of copyright infringement by Goverment agencies.

[16] Judicial rate-making for copyright royalties is employed in the consent decree governing the American Society of Composers, Authors and Publishers. See, e. g., U.S.A. v. ASCAP, CCH 1940-43 Trade Cases ¶ 56,104; 1950-51 id. ¶¶ 62,594, 62,595.

pensation in this situation. If the decision below stands, however, this power will never be utilized.

3. The Court Below Misconstrued Two Important Federal Statutes.

(a) *The Copyright Statute.*

(i) *Misapplication of The Fair Use Doctrine.* The court below purported to decide this case on the judge-made doctrine of "fair use".[17] Since the key question in most copyright cases is whether the nature and amount of copying amounts to infringement, this doctrine has been aptly described as simply an attempt by the courts "to bring some order out of the confusion surrounding the question of how much can be copied." Note, 14 NOTRE DAME LAWYER 443, 449 (1939). The doctrine is not, as intimated throughout the majority's opinion, simply a subjective measure of a court's moralistic view as to whether a copying is "fair" or "unfair." The majority sets forth a set of distilled criteria in its opinion (App. 12) and then proceeds to ignore them in a complete departure from recognized principles of fair use. After expressing the doubt noted above that "copying" means "copying", the court proceeds to base its decision on eight factors. These begin with emphasis on the nonprofit nature of NIH and NLM. But it is clear, as noted by Chief Judge Cowen (App. 36), that virtually every use by the Government is in fact nonprofit;[18] if this factor were to be determinative, or even significant, there would be no cases possible against the Government for copyright infringement. Yet, as

[17] The court assumed arguendo that petitioner was the proper party to sue, a point controverted by respondent below. Respondent did not press before the court below other defenses which had been raised at the trial including a license defense arising from certain Public Health Service grants because "these defenses have a limited impact." (Defendant's Brief, p. 9). These defenses are in fact completely inapplicable to certain counts in the petition herein and, accordingly, their determination either way would not avoid the necessity of resolving the fair use question which dominates this case.

[18] Of course, the medical societies for whom plaintiff publishes journals are nonprofit as well.

noted above, infringement by photocopying was one of the specific instances for which liability was provided in 1960. The majority's eight factors end with reliance on foreign statutes. Aside from substantial questions as to whether these statutes would actually excuse the activities here involved, the statutes merely illustrate that: (a) when a special exemption from the normal liability of the copyright law is desired, a statute is required and (b) the copyright laws of foreign countries are, as is well known, markedly different from United States law in a number of respects.[19]

(ii) *Conflict with Three Circuits and Need for Resolution by this Court.* It is not surprising that in ignoring established fair use criteria, the majority below was forced to depart from a significant and established rule of law. It has been explicitly recognized in the Ninth Circuit,[20] the District of Columbia Circuit[21] and the Eighth Circuit[22] that the doctrine of fair use is completely inapplicable to the copying of entire works. The Court of Claims rejected this proposition in the course of making its determination and could not have reached its result without doing so.[23]

---

[19] The majority goes far afield in time as well as place. In denying compensation in 1973, the Court below relies on alleged practices in 1935 or even earlier. These are completely irrelevant by reason of respondent's concession in its brief below (page 46) that as late as 1958 "there was virtually no photocopying as presently practiced."

[20] *Benny* v. *Loew's, Inc.*, 239 F.2d. 532 (9th Cir. 1956), *aff'd by an equally divided Court*, 356 U.S. 43 (1958). (Parody not automatically fair use since "there is only a single decisive point in the case: one cannot copy the substance of another's work without infringing his copyright" 239 F.2d at 537). The *Benny* case is currently applied as law within the Ninth Circuit. See *Walt Disney Productions* v. *Air Pirates*, 345 F. Supp. 108 (N.D. Cal. 1972).

[21] *Public Affairs Associates, Inc.* v. *Rickover*, 284 F.2d 262 (D.C. Cir. 1960), *judgment vacated*, 369 U.S. 111 (1962). (Where verbatim copies of speeches are taken, the possibility of the defense of fair use can be ruled out at the threshold).

[22] *Wihtol* v. *Crow*, 309 F.2d 777 (8th Cir. 1962). (Educational nonprofit arrangement of musical work by high school choral instructor held infringement and not fair use because defendant had copied "all or substantially all of a copyrighted song").

[23] This is because the court agreed with petitioner that each article must be considered a separate work (App. 7, n. 6); therefore, copying an entire article is copying an entire work. This is explicitly required by Section 3 of the statute which provides that "the copyright upon . . . periodicals shall give to the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this title." 17 U.S.C. §3. See *Markham* v. *A. E. Borden Co.*, 206 F.2d 199 (1st Cir. 1953); *King Features Syndicate* v. *Fleischer*, 299 Fed. 533 (2d Cir. 1924); *Hedeman Products Corp.* v. *Tap-Rite Products Corp.*, 228 F. Supp. 630, 633 (D.N.J. 1964).

The error in both result and approach by the majority below results in part, we submit, from the absence of any controlling pronouncement on fair use thus far by this Court, the only reviewing authority of the Court of Claims. Both the *Benny* and *Rickover* cases (notes 20 and 21, *supra*) reached this Court but without producing any opinion of the Court on this issue.

(b) *The Jurisdictional Statute.* Congress provided for copyright compensation as a companion sub-section to the long-established provision covering Government liability for patent infringement. The operation of the two remedies is similar. The Department of Justice accurately described this patent provision recently as follows:

> "Under this provision, a patentee has no right to exclude or secure an injunction against such use; there is automatically a mandatory license to the government and its contractors. The patentee has a claim for just compensation, however, which may be brought before the Court of Claims.*** The original reason for this statute, and one that retains vitality today, is that *the government retains the right to undertake and carry out work involving the national defense and security, or other such public necessities, without being blocked from doing so by the patent system, although it should pay reasonable compensation for the use of the patented invention.*" [Emphasis supplied] THE BUREAU OF NAT'L AFFAIRS, 157 PATENT, TRADEMARK & COPYRIGHT JOURNAL, AT D-4 (Dec. 13, 1973).

As recognized by Congress, the Government in both patent and copyright situations must have the right to use the pro-

tected work, subject only to the requirement that it pay the proprietor a reasonable compensation. Petitioner submits that the complete disregard of this approach by the majority of the Court of Claims in its first determination under the 1960 copyright reasonable compensation statute frustrates the legislative purpose.[24] For example, one of the three "core" propositions of the Court's opinion is that medical research would be injured by finding for petitioner. Reasonable compensation could not possibly have such a result, any more than reasonable compensation for the Defense Department's use of an invention would harm national defense.

The Court presumably fears that a decision in plaintiff's favor might be a precedent in cases between private parties where injunctions are potentially available. But as demonstrated by Judge Nichols in his dissenting opinion, courts may equitably withhold injunctions and determine compensation which is reasonable under the circumstances. This is a most likely result since neither the vast number of publishers represented by the *amici curiae* nor any other publisher has ever expressed any interest in an injunction against library photoduplication. Alternatively, fair use might well be found if a proprietor refused to license on reasonable terms. The court was in error here by completely ignoring petitioner's licensing program, which permits and indeed encourages photocopying simply upon payment of a modest annual sum constituting reasonable compensation.

CONCLUSION

It is respectfully submitted that this petition for a writ of certiorari should be granted.

ALAN LATMAN
Attorney for Petitioner

ARTHUR J. GREENBAUM
COWAN, LIEBOWITZ & LATMAN, P.C.
Of Counsel

[24] Cf. *Perma Life Mufflers* v. *International Parts Corp.*, 392 U.S. 134, 136 (1968) (Certiorari granted because lower court approach "seemed to threaten the effectiveness of the private action as a vital means for enforcing the antitrust policy of the United States.").